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RUEHAM/AMEMBASSY AMMAN PRIORITY 3413  
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RUEHLB/AMEMBASSY BEIRUT PRIORITY 3239  
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RUEHRH/AMEMBASSY RIYADH PRIORITY 0243  
RUEHTU/AMEMBASSY TUNIS PRIORITY 4371  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 6315  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 8761  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY  
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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XXXX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

SIPDIS  
E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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Mideast

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Key stories in the media:  
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Major media (banner in Ha'aretz (Hebrew Ed.)) reported that in an interview with Reuters on Thursday President Bush called Israeli settlement expansion an "impediment" to the success of revived peace

efforts and urged Israel to follow through on its pledge to dismantle unauthorized settler outposts. Bush was also quoted as saying that his visit is also aimed at thwarting Iran. Leading media reported that the President's schedule is too busy to hold a three-way meeting with PM Ehud Olmert and PA President Mahmoud Abbas. However, Israel Radio and other media reported that the President will visit Ramallah, where he will meet with Abbas and Palestinian PM Salam Fayyad.

Bannering "Bush: Iran Lied to the World," Yediot continued to present highlights of the full interview with Bush that appears in today's newspaper. He was quoted as saying that he will try to build a coalition against Iran, and that Olmert is a man endowed with vision, in whom he believes and whom he likes.

In an interview with The Jerusalem Post, PM Olmert praised "our friend" in the White House, warned of the daggers of a one-state solution, and wished he were at liberty to provide the public with more details of everything he is doing to serve Israel.

The media reported that the IDF killed nine militants in the Gaza Strip on Thursday and two Hamas members this morning. The Jerusalem Post reported that a senior official in the Prime Minister's Office characterized Thursday's Katyusha rocket attack on Ashkelon as "very problematic" and a "strategic threat." The official was quoted as saying that it showed once again the urgency of stopping the arms smuggling from Sinai into the Gaza Strip. Ha'aretz quoted defense sources as saying that Israel will not respond to the attack with a large-scale operation in Gaza. Leading commentators believe that Hamas is hiding behind claims of responsibility issued by various Palestinian organizations.

Ha'aretz and other media reported that PM Olmert promised King Abdullah II during a flash visit to Jordan that Israel will not set up new settlements in the territories and will not confiscate new territory in the West Bank. Olmert made the statements after the King recently criticized Israeli construction in Har Homa and Ma'aleh Adumim.

The Jerusalem Post quoted PA officials in Ramallah as saying on Thursday that the prospects for a breakthrough in the peace process in the near future have dwindled following reports that Israel will demand that the future Palestinian state be demilitarized.

Ha'aretz reported that on Thursday the High Court of Justice confirmed Israel's right to continue diminishing the quantities of fuel it transfers to the Gaza Strip to the planned weekly amount of 230,000 liters.

The Jerusalem Post reported that, in a letter sent earlier this week to Military Advocate General Brig. Gen. Avihai Mandelblit, the Public Committee against Torture in Israel charged that IDF soldiers are using dogs to attack and harass Palestinian civilians and detainees.

Ha'aretz (lead story in its English Ed.) reported that Labor Party Chairman (and Defense Minister) Ehud Barak is considering a call for

early elections by the end of 2008 after the release of the final report of the Winograd Commission, expected in the next few weeks.

The Jerusalem Post reported that, after decades of battling, Israel received seats on the UN's Human Settlement Program and the Environment Program panels, both based in Nairobi.

The Jerusalem Post cited a study released on Thursday by Hebrew University researchers that found that Israel's image in the international media deteriorated after the pullout from the Gaza Strip, despite Israeli expectations that the unilateral withdrawal would boost support for its policies.

Ha'aretz reported that Israel is not ruling out the possibility of Hizbullah holding remains of IDF soldiers, as stated by Hizbullah leader Hassan Nasrallah on Wednesday.

Maariv reported that Defense Minister Barak has hinted to PM Olmert that he will initiate a coalition crisis if Olmert does not stop reforms launched by Justice Minister Daniel Friedmann.

Yediot reported that 16 prominent U.S. business people will visit

Israel next week. The group includes Nancy Tellem, President of CBS Paramount Network Television Entertainment Group, her husband NBA agent Arn Tellem, who may purchase an Israeli sports team, and former top Coca Cola executive Herbert Allen.

Ha'aretz (English Ed.) reported that American medical schools in Israel have finally received recognition from the Israeli Council for Higher Education (ICHE), a step that will allow their graduates to remain in Israel for their residencies.

Leading media marked two years since Ariel Sharon fell into a coma.

The Jerusalem Post reported that a replica of a collection of Biblical illustrations created by a Holocaust victim while hiding from the Nazis during World War II will be presented to President Bush during his visit to Yad Vashem next week.

Ha'aretz (English Ed.) reported that former U.S. poet laureate Robert Hass will be in Israel next week for a conference at Tel Aviv University on "Poetic Natures: The Environment, Literature, and the Arts."

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Mideast:  
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Summary:  
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Diplomatic correspondent Aluf Benn and Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz: "When a chance to embarrass Israel fell into their hands [the Palestinians] took it."

Editor-in-Chief David Horovitz wrote in the conservative, independent Jerusalem Post: "[Olmert] and Bush and Abbas ... set themselves this improbable one-year deadline."  
Former ambassador to the UN Dore Gold wrote in the nationalist, Orthodox Makor Rishon-Hatzofe: "The [April 2004] Bush letter [to Sharon] did not intend to impose an outline for designing a future framework for negotiations."

Block Quotes:  
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1I. "Meetings of the Minds"

Diplomatic correspondent Aluf Benn and Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz (1/4): "At Annapolis, Olmert, Abbas and Bush promised to make 'every effort' to complete the Israeli-Palestinian agreement by December 12008. In the meantime a month has gone by and the agreement is not a single millimeter closer.... There is no doubt that Olmert supports removing the Jewish settlements in the West Bank that are outside the security fence -- that was the basis of his 'convergence plan' -- but now it looks as though he has caved in to Palestinian and American pressure. He tried to reach an understanding with Abbas about construction in the settlements even before the 'Har Homa crisis.' We will continue to build in the large blocs, he told the Palestinian president, but we will not expropriate land or establish new settlements. In many places, explained Olmert, lands have fallen into the hands of private contractors, and if they have permits, they can start building tomorrow. Thus machinery and construction will be visible, especially within the blocs. I can't stop everything, Olmert said. The Palestinians heard him, but when a chance to embarrass Israel fell into their hands they took it. As far as they -- and the Americans -- are concerned, there is no

validity to the Israeli distinction between 'neighborhoods in Jerusalem' and 'Jewish settlements in the territories.' Har Homa is beyond the Green Line, just as Itamar and Eli are."

### III. "The Asymmetry Confronting Bush"

Editor-in-Chief David Horowitz wrote in the conservative, independent Jerusalem Post (1/4): "As Bush flies in ... the question is -- as it has been through so many bloodily failed previous efforts at peace-making -- is not whether Israel is anxious for a viable accord, or whether America and much of the international community want one, but whether the Palestinian leadership is, and if so whether it speaks for or can win over the Palestinian public.... Olmert rightly remarked [in an interview with The Jerusalem Post this week], when asked whether anything had moved since Annapolis, that it was somewhat absurd to be expecting progress in a matter of weeks when 'we are talking about a conflict of 100 years.' Indeed, it is. Except that it was he and Bush and Abbas who set themselves this improbable one-year deadline."

### IV. "The Bush Administration against the Bush Letter"

Former ambassador to the UN Dore Gold wrote in the nationalist, Orthodox Makor Rishon-Hatzofe (1/4): "It is important to stress that Sharon believed that Bush's [April 2004] letter not only gave Israel the settlement blocs, but also another territorial element. One year later Sharon described to Ha'aretz ... his conception of 'defensible borders', in particular the Jordan Valley as an extremely important area militarily.... The Bush letter did not intend to impose an outline for designing a future framework for negotiations, but it presented the basic American stance regarding the final-status agreement, were the U.S. to detail its positions to the sides in case the negotiations reached a stalemate.... Bush's letter did not deal with the Jerusalem issue, but in the past few years Israel obtained great American acceptance of its claims.... The important point is that [in the late 1990s] Washington did not pressure Israel to stop construction at Har Homa, whereas today the Bush administration is willing to criticize Israel on construction in East Jerusalem -- only because this might affect the post-Annapolis negotiations."

MORENO